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Report of the Ad Hoc Advisory Group on Haiti**

Summary

The present report contains the findings of the Ad Hoc Advisory Group on Haiti, based principally on its visit to Haiti in May 2009. The increased opportunities of the country to benefit from international support are presented, as well as the major challenges that remain to translate this renewed mobilization into tangible progress on the ground. The report highlights the responsibilities of all partners to ensure aid effectiveness, a prerequisite for sustained stability of Haiti. Regarding the main substantive areas for international assistance, the Group stresses the double challenges of providing immediate support to the population of Haiti, including through rapid job creation and foreign investments, and the need to continue in-depth support to communities, including in rural areas. The Group calls for simultaneous actions in these directions. The report concludes with recommendations addressed to the Haitian authorities and their international partners with a view to enhancing the impact of development assistance. As Haiti is at a crossroads, a continued mobilization by all is imperative to help the country avoid a relapse into social unrest.

* E/2009/100.

** The present report has been submitted late to incorporate elements from the visit the Group made to Haiti from 4 to 7 May 2009.

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I. Introduction

1. The present report is the fifth presented to the Economic and Social Council since the Ad Hoc Advisory Group on Haiti was reactivated in 2004. At that time, following a request made by the Government of Haiti, the Council decided by its resolution 2004/52 to reactivate the Ad Hoc Advisory Group on Haiti, which was established in 1999 to help coordinate the development of a long-term programme of assistance to the country. In accordance with Council decision 2004/322, the Group is composed of the Permanent Representatives of Benin, Brazil, Canada, Chile, Haiti, Spain and Trinidad and Tobago to the United Nations. In addition, following a request made by Peru on 20 March 2009 (see E/2009/49), the Council decided to include the Permanent Representative of Peru to the United Nations as an additional member of the Group (decision 2009/211 of 20 April 2009). Since its first meeting, on 23 November 2004, the Group has been chaired by the Permanent Representative of Canada to the United Nations. As stipulated in decision 2004/322, the President of the Economic and Social Council and the Special Representative of the Secretary-General for Haiti are invited to take part in the Group's meetings.

2. By its resolution 2008/10 of 23 July 2008, the Economic and Social Council decided to extend the mandate of the Ad Hoc Advisory Group until its substantive session of 2009 "with the purpose of following closely and providing advice on the long-term development strategy of Haiti to promote socio-economic recovery and stability, with particular attention to the need to ensure coherence and sustainability in international support for Haiti, based on the long-term national development priorities and building upon the Interim Cooperation Framework and the growth and poverty reduction strategy paper, and stressing the need to avoid overlap and duplication with respect to existing mechanisms". The Council also requested the Group to submit a report on its work, with recommendations, as appropriate, to it at its substantive session of 2009.

3. The present report is largely based on the findings of the Group's visit to Haiti from 4 to 7 May 2009. It is recalled that the visit of the Group to Haiti planned for early 2008 was cancelled owing to the economic, social and political instability that prevailed at the time and to the lack of a constitutional Government. The appointment of Michèle Duvivier Pierre-Louis as Prime Minister in September 2008 and the return to stability allowed the Group to resume its practice of visiting the country and meeting the Haitian authorities, key civil society representatives and international development partners on the ground. This by itself testifies to the capacity of the country to overcome difficult situations and embark on a constructive path.

4. The very rich and intense programme of the Group in Haiti, which included interaction with relevant stakeholders and field visits to Gonaïves and Carrefour Feuilles, is outlined in the annex to the present report. The terms of reference of the visit were based on previous reports of the Group to the Council, particularly the recommendations contained in the 2007 report (E/2007/78), which were clustered under three major themes: (a) development planning and aid coordination; (b) institutional capacity-building; and (c) levers for economic and social development, and which continue to be a major matrix for analysis for the Group's consideration of the development situation in Haiti. The impact of natural disasters, such as the hurricanes that devastated parts of the country in August and September 2008, and the fragility of Haiti in the face of the combined food, oil, financial and

environmental crises at the global level have highlighted the precariousness of the situation, which was already addressed in the 2008 report (E/2008/90).

5. The Group wishes to express its appreciation for the open and constructive exchange with Haitian officials, including the President, René Préval, the Prime Minister, Michèle Duvivier Pierre-Louis, the Minister for Foreign Affairs, Alrich Nicolas and the Minister of Planning and External Cooperation, Jean-Max Bellerive, as well as other members of the cabinet. The Group is also grateful to the Department of Economic and Social Affairs, the United Nations Stabilization Mission in Haiti (MINUSTAH) and its Head, Hédi Annabi, and the United Nations country team for their substantive and logistical support during the visit. The success of this mission, which attracted a great deal of interest in Haiti and at Headquarters, is largely due to the quality of the interaction with these actors and with representatives of civil society, the private sector and the diplomatic and donor community both in Port-au-Prince and outside the capital.

6. Organized shortly after a successful donor conference held in Washington, D.C., the Group's visit was the first international effort to review how commitments were followed up on the ground, including in the areas of aid effectiveness and national ownership as well as prospects for development in key socio-economic and governance fields. As a recurring theme of the discussions, many interlocutors stressed that Haiti was at a crossroads and that tangible improvements in the daily lives of the Haitian people were needed to "lock in" the peace and security achieved by the Government with support from MINUSTAH. Its capacity to recover from the turmoil of last year, to make full use of international support and to improve the living conditions of its population was at stake, and the concrete results of those efforts were critical for the future of Haiti's relationship with its development partners. Rather than attempting to be exhaustive on the whole issue of Haiti's development, the Group wishes to focus on a select number of challenges that it considers key at this juncture and for the longer-term development of the country.

II. The mobilization of international support for Haiti: opportunities and challenges

7. During its visit to Haiti, the Group witnessed progress made on various fronts, particularly in the security and rule of law sectors. It also noted that there is a clear need to maintain attention in order to enhance progress on the development front and to translate promising commitments into concrete achievements.

8. An important step after the last renewal of the Group's mandate was taken on 14 October 2008, when the Security Council, by resolution 1840 (2008), renewed the mandate of MINUSTAH for another year with the same configuration. The Council also encouraged the Special Representative of the Secretary-General to facilitate political dialogue between the Government of Haiti and all relevant political actors in order to ensure that the democratically elected political institutions can continue carrying forward the reform work laid out in the National Growth and Poverty Reduction Strategy Paper.

A. A renewed international commitment in support of Haiti

9. Since the beginning of 2009, Haiti has received a high level of international attention and commitments of support. A joint visit by the Secretary-General of the United Nations and the former President of the United States of America, William J. Clinton, reinvigorated the sense that Haiti deserved a high level of support. Several high-level officials from partner countries also visited the country and committed themselves to continued assistance. The visit of the Security Council to Haiti in March (see S/2009/175) was another important manifestation of this renewed determination to help and to see changes on the ground. These efforts are expected to be further boosted by the recent appointment by the Secretary-General of former President Clinton as the United Nations Special Envoy for Haiti. The Group welcomes this succession of positive steps for Haiti.

10. An interesting development has been the combination of this political momentum around Haiti with visible substantive inputs on what should be done to improve the situation. In January, Professor Paul Collier, whose work on socio-economic support for post-conflict countries is well known in the development community, presented a report to the Secretary-General in which he stated that "Haiti is not hopeless" and proposed a strategy that would ensure a transition "from natural catastrophe to economic security". This objective should be reached through job creation, basic services, food security and environmental sustainability, with a strong emphasis on the role of the private sector.

11. The third conference on Haiti's economic and social development, held in Washington, D.C. on 14 April 2009, benefited from this momentum. Organized under the auspices of the Inter-American Development Bank, and preceded by a technical preparatory meeting in Ottawa, the conference managed to gather high-level personalities from existing development partners and potential new donors and allowed for more than $378 million to be pledged in response to the plan presented by the Government. A strong civil society presence added to the perceived sense of mobilization around the needs of the country. The conference, like those organized in July and November 2006, fell short of meeting the financial expectations put forward by the Government for implementing its economic recovery and rehabilitation plan, but proved to be successful in mobilizing the necessary political support of the international community for the Government.

B. Progress towards national ownership of development strategies

12. At the Washington conference, Haiti invited its international partners to agree on a new cooperation paradigm for growth and development. To that end, the Government prepared a programme to strengthen the Haitian economy which included a plan to reduce the country's vulnerability to natural disasters, with a selection of projects to be implemented urgently in the regions at risk before the start of the rainy season, and an economic recovery plan aimed, inter alia, at creating jobs, boosting agricultural productivity, improving the transport and electricity sectors and ensuring access to basic social services.

13. The elaboration of these documents required the Government of Haiti to select both substantive economic and social policy options and specific projects to be considered on a priority basis. The work carried out in that respect, as well as the

way in which the programme has been promoted by Prime Minister Pierre-Louis at the Washington conference, and since then, deserve to be praised. It is recalled that the Government of Haiti already demonstrated strong leadership in finalizing the National Growth and Poverty Reduction Strategy Paper in 2007, which constitutes, along with the Government's plan presented at the Washington conference, the framework of national priorities within which development partners should allocate aid.

14. As a positive consequence of very sad events, recent natural disasters have accelerated the inclusion in the national budget of priority programmes to respond to acute needs, thereby increasing national ownership of these activities. Furthermore, the increasing role played by the Haitian Government in the coordination of sectoral round tables held with the Group and technical and financial partners should be highlighted, demonstrating that the ministries themselves are taking more control of the projects.

15. The United Nations system, for its part, has coordinated its efforts both horizontally, by elaborating the United Nations Development Assistance Framework (UNDAF 2009-2011), which offers a common programming framework to all United Nations agencies represented in Haiti, and vertically, by linking this collective action to the national strategy for growth and poverty reduction. Furthermore, in its resolution 1840 (2008), the Security Council "*calls upon* MINUSTAH and the United Nations country team to further enhance their coordination and, in concert with the Government of Haiti and international partners, help ensure greater efficiency in the implementation of the National Strategy for Growth and Poverty Reduction Paper (DSNCRP) in order to achieve progress in the area of socio-economic development, which was recognized essential for the stability in Haiti in the Consolidation Plan of the Secretary-General". The United Nations system has selected three priority areas for intervention identified in the DSNCRP (democratic governance, sustainable human development and environmental and natural disaster risk management) which are covered by a projected budget estimated at $520 million. This action will certainly help to maximize the efforts made by the Haitian Government and strengthen its capacity for action, which to date is still limited.

C. Addressing the continued weakness of State institutions

16. Improving the functioning of public administration has been an important objective and a major area of technical cooperation in Haiti, in particular since the transition in 2004. Streamlining public expenditures has also been an ongoing effort by successive Governments, with noticeable macroeconomic results acknowledged by the International Monetary Fund. Still, the weakness of State institutions remains a reality and even a specificity of the situation in Haiti.

17. The Group witnessed the lack of a State presence in various sectors, which many of the Group's interlocutors analysed as a major obstacle to development. It is noticeable that civil society organizations, far from complaining about the authority of the State, regretted its weaknesses and confessed little knowledge on the Government's development plan. For example, in the field of education, in 2002-2003, 2,793,829 persons (38.8 per cent of the total population of Haiti) had never attended school. Only 18 per cent of children are educated in the public sector, and

the quality of private education remains uneven and is often poor. The large sums families pay for their children's education is in contrast to the mediocre performance of the educational system. The fact that the maternal mortality rate remains high (630 per 100,000 live births) is also a result of the inability of the Haitian State to provide access to basic health-care services throughout the country.

18. It must be acknowledged that non-governmental organizations cannot compensate for the failures of the State, despite their strong presence and the international financial assistance from which they can benefit. In a sense, Haiti is a textbook example of the fact that the non-governmental sector cannot replace the State. Although the results achieved thus far have been meagre, support for public entities and strengthening of their capacity for action, or "empowerment", must remain an objective for the Haitian leadership as well as their development partners. As for the NGOs, they should better integrate their activities into the framework defined by the Government, which does not have systematic information on their activities and their effective contribution to the country's development.

19. As security and stability are prerequisites for sustainable development, continued support for the Haitian National Police, such that one provided by MINUSTAH, is highly needed. Lack of equipment currently jeopardizes progress made in the recruitment and training of new officers. During its visit, the Group benefited from the improved protection services of the police and witnessed how much the word professionalism has a meaning within this institution. The Group stresses the need to grant it the means that will allow for capacity-building. The same applies to the justice sector where training facilities have been reopened and the legislative framework improved. The justice apparatus should now receive commensurate support if we want to lay the foundations for the rule of law in Haiti.

20. For the first time, the Group visited the Parliament of Haiti and met high-level representatives of both chambers as well as the Minister for Parliamentary Relations. Haiti is engaged in a process of learning about the functioning of the democratic structures of a parliamentary system, which the Group welcomes. This learning process is not without constraints for the Government, which devotes a great deal of time to responding to questions from Parliament or justifying the budget. The corrected budget for 2008-2009 was voted on and adopted three months before the end of the budget period. In this context, there is a real risk of State paralysis. The Group thus wishes to stress the importance of a constructive approach to the prerogatives of each, in order to build the role of institutions in the service of a functioning democracy. The Group stresses the importance of political consensus in this context and on its crucial extension within parliamentary institutions.

D. The risk of donor impatience and fatigue

21. As a result of these institutional weaknesses, ministries are quickly overburdened by the management and accountability mechanisms of donor-funded projects, including the numerous matrices that they are requested to fill in. In this context, the share of development assistance that is spent through non-governmental organizations, instead of State institutions, remains very high, around 80 per cent of the total. The Government of Haiti has no control and little information on the use of these funds, which primarily relate to basic social services. This situation, which the Group described in its previous reports, remains basically unchanged. However,

the increased involvement of non-governmental organizations in coordination mechanisms, including those directed by the United Nations Resident Coordinator, is a positive trend.

22. The Group has been impressed by the maturity of the analysis presented by the Government at the Washington conference as a basis for its "new paradigm for cooperation". The terms of the equation were stated very clearly: the Government does not receive the means to meet the basic needs of the people through international aid, and conversely, donors do not have sufficient indicators in the area of governance. The objective is therefore to dissipate the current discomfort that has prevailed on both sides and to replace it by a relation of trust that will allow for the switch from mutual dissatisfaction to mutual accountability. In itself, stating the problem in these terms represents the beginnings of a solution, which is something to be welcomed. The exchanges between the Group and the Minister of Planning were conducted with the same frankness and intellectual honesty.

23. In spite of this approach, at the Washington conference, the Government of Haiti did not obtain the budgetary support that it expected (around $82 million pledged). To improve the situation, a dialogue on the management of budgetary support and a structured partnership framework should be established. The Group wishes to stress that elements for such a framework are there, today more than ever in the history of the country, in the form of a genuine willingness to dialogue, the existence of the National Growth and Poverty Reduction Strategy with a clear responsibility of the Ministry of Planning and External Cooperation to follow up on its implementation, the Government's plan identifying the country's priorities and the need to act quickly, given the increased vulnerability of the country.

24. In addition, improved donor coordination mechanisms provide a platform for synergies and harmonization of activities. Three platforms for coordination now exist in Haiti: the Core Group, chaired by the Special Representative of the Secretary-General, which is mainly a political group; the Executive Committee of Technical and Financial Partners, composed of 10 major partners, coordinated by the Resident Coordinator; and an extended Group of Technical and Financial Partners. Sector groups have also been established to improve coordination among partners at operational and technical level. The fact that the secretariat of the Executive Committee is housed in the Resident Coordinator's office is a positive element for the United Nations development presence in Haiti. A high-level forum where the Government and its key development partners can come together regularly to discuss and review progress towards the fulfilment of mutual commitments might be of further help. The "political forum" envisaged at the Washington conference could serve this purpose.

25. An obstacle to aid delivery is the slow decision-making process in key sectors, such as electricity tariffs or the management of seaports, which impact on the overall economic activity. Donors expressed concern as to the lack of decisions in these fields, despite the technical assistance provided to the Government to facilitate the process. They also underlined the negative consequences it had on the level of disbursements.

26. Many of the Group's interlocutors, both Haitian and international, stated that Haiti was at a crossroads and might well relapse into social unrest and instability if the current opportunities were not seized. The Group wishes to stress that such a scenario is not an option for the international community and everything should be

done to avoid it. The time has come for special efforts to stop "business as usual", to make full use of the current potential and to give a real meaning to the Paris Declaration on Aid Effectiveness. To that end, it is of utmost importance that each actor fully assume its responsibilities: the Government by taking quick and clear decisions, the Parliament by accelerating its review process, and donors by aligning their aid to the Government's priorities and improving procedures. That is the only way to unblock the current situation and provide real development opportunities.

27. The consequences of a standstill can be serious. In fact, they are likely to be felt shortly, with an expected higher fiscal deficit due to insufficient budgetary support compared to pre-Washington expectations, and possible central bank financing that might decrease macroeconomic performances. The execution of poverty reduction expenditures, as foreseen in the National Growth and Poverty Reduction Strategy Paper, will also be restrained. In this context, granting debt relief to Haiti would be of great help. The Executive Board of the World Bank is expected to consider the matter in July, during discussions on Haiti's progress towards the completion point under the enhanced Heavily Indebted Poor Countries Initiative.

28. For the Group, one important task of the United Nations Special Envoy will be to promote the full use of the current potential in order to unleash capacities and make aid tangible in the country, including through marshalling private sector resources. Special efforts will be needed to ensure that the difficulties encountered by the Haitian State apparatus in connecting to international development assistance mechanisms are overcome and that the willingness to make the difference on the ground prevails.

29. To make this difference, the way international assistance is delivered is important but cannot sideline the debate on the substance of the activities that are undertaken and, in the Haitian context, on the key issue of the interlinkage between quick results and in-depth support.

III. The double challenges of quick action and in-depth support

30. Haiti is faced with some burning challenges. Long-term planning efforts are often overshadowed by the necessity of finding immediate solutions to acute problems that endanger the stability of the country. However, to obtain sustainable results, the country needs to work in both directions and to harmonize the different types of activities carried out.

A. Responding to urgent needs

31. Haiti is currently engaged in a race against the clock to prepare for the hurricane season. In 2008, 15 per cent of the country's gross domestic product was wiped out in four weeks, when successive storms and hurricanes hit the country in August and September, affecting or injuring 800,000 people and killing over 1,000. Since the Group's visit, storms have taken the lives of dozens of people in Saint Marc, in the Artibonite region and in the south of the country.

32. The Group visited the town of Gonaïves, which was hardest hit by the hurricanes and flooding last year. On the basis of its discussions with local

authorities, MINUSTAH and development officials, the Group wishes to stress that in spite of laudable reconstruction and prevention efforts carried out by a wide range of actors, the situation in the region remains worrisome. The dredging of the stream which overflowed and flooded Gonaïves with muddy water last year is far from finished, three months before the beginning of the next hurricane season. The weakness of administrative structures limits the scope of activities to inform and prepare the people, whose capacity for resilience has already been sorely tested.

33. Moreover, environmental vulnerability is not related solely to natural limitations. It is also a result of the legal insecurity surrounding land ownership in this region, which is considered Haiti's breadbasket but which still lacks a land registration system. The resulting "land insecurity" is thus added to a whole group of factors increasing the vulnerability already mentioned. It complicates the continued use of land for agriculture or forestry, which could, however, prevent or limit landslides caused by heavy rains. Thus, the conditions are ripe for new humanitarian crises unleashed by natural disasters but with their basis in old, unresolved problems. Measures to make land ownership secure could constitute the beginnings of a structural approach that is needed in many fields.

34. The political crisis in 2008 underlined the challenge of enhancing food security and rural development in Haiti, an aspect that the Group addressed in its report to the Council in 2008 (see E/2008/90) and followed up on during its visit this year. All interlocutors, including the Secretary of State for Agriculture and representatives of major international organizations working in this field, stressed the urgent need to relaunch the national agricultural production, including fisheries. The country, which is not self-sufficient in the food sector, saw the harvest of the last 2008 agricultural season either lost or severely damaged. Consequently, over a third of the overall population is moderately or extremely food insecure, with pockets of acute malnutrition in remote areas where distribution of aid remains a challenge. The budget of the World Food Programme (WFP) increased from $22 million in 2007 to $103 million in 2008 and is estimated at $92 million for 2009. WFP currently assists 2.7 million beneficiaries in Haiti. Up to 30 per cent of children in some areas suffer from chronic malnutrition. Solid programmes and inter-agency collaboration should be supported to prevent and reduce this malnutrition.

35. Clearly, the level of deprivation in Haiti is not compatible with stability. In this context, the Group stresses the need to respond to the humanitarian appeals by the United Nations and its partners. The Office for the Coordination of Humanitarian Affairs launched the revision of its flash appeal in December 2008, increasing the overall amount requested to $127,525,485. As of early May 2009, the appeal was 50.3 per cent funded, which is far too from satisfactory. The Central Emergency Response Fund and a new funding mechanism have helped to provide rapid and flexible funding. The national system for disaster risk reduction has been strengthened, with noticeable results on the ground. The Government has clearly indicated its priorities for early recovery of the affected communities and rehabilitation in the post-disaster needs assessment, completed in November 2008 under the leadership of the Government with the joint and unified support of the United Nations, the European Union and the World Bank. Furthermore, the economic recovery and rehabilitation plan presented by the Government at the Washington conference spells out the main national priorities for the next two years and includes, beyond infrastructure rehabilitation (roads, electricity, bridges, free

zone), preventive measures for reducing the country's social and environmental vulnerabilities. The United Nations Special Envoy could assist in scaling up projects aimed at reducing the country's vulnerability, in line with the Government's priorities.

36. Assistance should be concrete, along the lines of the project executed by the Food and Agriculture Organization of the United Nations (FAO) to restore the damaged zones to operating condition and provide agricultural inputs to the population affected by Hurricanes Hannah and Ike in Gonaïves, a project which the Group visited. Highly labour-intensive projects like those which the United Nations Development Programme (UNDP) established in Artibonite, where the project has become the largest employer, should also receive the necessary funding.

37. The question of the increased use of MINUSTAH military engineers to help in all kinds of civil work was raised. This capacity should be used as much as possible. However, it is limited in practice by the need to find funding to execute public works and to overcome bureaucratic requirements on the use of these funds in such unusual contexts. It has been mentioned to the Group that there could be a possibility of involving the Bretton Woods institutions to fill this financial gap. In addition, the fragility of the situation on the ground and the continued presence of spoilers of peace and stability efforts require full capacity by the Mission to maintain public order and to protect the population in case of a sudden crisis. Representatives of the private sector that the Group met also stressed the important stabilization role of MINUSTAH for the business community in the country.

B. A renewed momentum in favour of the private sector

38. A major evolution in the development field in Haiti is the recognition that the private sector has been underutilized in economic strategies and that it should now play its full part, including by creating jobs. A conjunction of economic interest and political will has emerged, both among Haitian leaders and development partners, to create an enabling environment for business activities. The opportunities offered by the granting of preferential treatment to Haitian products under the Haitian Hemispheric Opportunity through the Partnership Encouragement Act, enacted by the United States Congress, contributed to this momentum. The United Nations Special Envoy can certainly help attract foreign investments in this context.

39. The Group observed that the report by Professor Paul Collier ("Haiti: from natural catastrophe to economic security") has created a welcomed feeling among Haitian economic actors that the development of the country is within reach. The report, which presents a strategy for the rapid attainment of economic security, focuses on export zones and the development of garment industries by which Haiti could break the circle of uncompetitiveness and expand rapidly in global markets, particularly the United States textile market.

40. The Group visited the industrial park in Port-au-Prince, including a garment factory, and met business sector representatives who have shown a genuine dynamism in expanding their activities there and expect decisions by the Government to open economic sectors and create more opportunities for their business plan. It is recalled that in 2007, the Group also visited textile factories in a free-trade zone at Ouanaminthe, in the north-eastern part of the country. At the time, the Group expressed the hope that the legislation mentioned in paragraph 38 above would allow business of this kind to expand in Haiti, given the alternative that it

represents to agricultural activity and the fact that employees receive low but regular wages. The Group also stressed that employee working conditions and wages merit careful monitoring by agencies outside the company and recommended that advice be sought from the International Labour Organization concerning respect of decent work standards. This view also applies to the industries visited this year, located in the city of Port-au-Prince, close to the shanty town of Cité Soleil where some of the workers live. These industries should be an opportunity for workers to get out of poverty. If wages remain too low in the urban context, it is unlikely that these jobs will contribute to meaningful improvements in living conditions and enhance stability in the country, let alone diminish the willingness to migrate. Efforts should also be made to increase local economic operators' awareness of their responsibilities with regard to the very poor and to support initiatives in that area.

41. President Préval established a Commission on Competitiveness, composed of around 20 personalities of the public, private and social sectors, mandated to promote public-private dialogue, to develop a strategic plan for competitiveness in Haiti and to contribute to a change in mentalities for enhanced economic development and wealth creation. Under its project entitled "Shared vision", the Commission has identified "patterns of paralysis" that contribute to economic inaction and stagnation, such as fear of decision-making, distrust and lack of coordination. The objective of the Commission is to replace these unproductive behaviours and mentalities with a productive dialogue of relevant actors and the implementation of effective strategies in priority sectors, including tourism, assembly, construction and the processing of fruits, vegetables and essential oils. A series of "quick wins" has also been identified in order to build concrete momentum, in particular around tourism in the region of Cap-Haïtien.

42. The Group, which met the Chairperson of this Commission and other private sector representatives, wishes to congratulate the efforts made to bridge the divide among the public, private and social sectors in Haiti and to question the underlying causes of stagnation. The process, which will necessarily be a long-term one, deserves to be carried out in a methodical way and by reaching out to many and various actors so that the Commission can have a real impact on mentalities. It is also important that its work be integrated with Government policy, including the plan presented at the Washington conference, and that efforts complement each other.

43. Private sector counterparts mentioned the lack of transport infrastructure as an impediment to business expansion, particularly in the regions, as well as lack of access to energy and credit. Solving these problems requires important and sometimes sensitive decisions and arbitration by political leaders. They require sustained action, particularly when the Parliament has a say. Although the Group observed willingness to take quick action for job creation, it is likely that in most economic fields, a series of decisions is needed, with clear road maps to be followed. The plans of the Government are most important in respect of that approach, and sustained progress is certainly dependent on it.

44. The Group also noted that limited access to credit and venture capital constitutes a fundamental problem for the country's economic development in many fields, from agriculture and food production to tourism and manufacturing industries to the service sector. The national financial sector offers few possibilities for financing of start-up projects or business recovery and growth, in particular for

small and medium enterprises. When such possibilities do exist, they are very expensive and not very flexible. This structural challenge should be given serious study in order to optimize the potential for economic development in Haiti.

C. The need for continued development support for communities

45. Job opportunities will certainly appeal to many Haitians who live in Port-au-Prince or are planning to migrate to cities to flee rural deprivation. However, the garment sector and other industrial activities that could be quickly developed in the country are unlikely to create a sufficient number of jobs to generate in-depth changes in society. Interlocutors estimated that 30,000 to 50,000 jobs could be created in this way, in a country of 9.8 million inhabitants.

46. It is recalled that most of the Haitian population is rural and depends on farming activities, while agricultural production is too weak to feed the whole population. In this context, the rehabilitation of agricultural activities and the empowerment of rural communities should remain key objectives, both for the Government and for the country's development partners. Much should be done to strengthen the capacities of farmers, in particular to improve agricultural yields, provide basic training and conduct agrarian reforms. Whether through the splitting up of plots of land by dividing a farm among heirs, or management of State land through unproductive intermediaries in the Artibonite valley, rural areas in Haiti suffer from a lack of regulations allowing those who live there to earn their living. The fact that credit is burdened by a cumbersome and ineffective mortgage system in addition has trapped this society in poverty.

47. Remittances from Haitians living abroad, which represent around 20 per cent of the gross national product, are important coping mechanisms of the population living in poverty, despite potential reductions following the global financial crisis. While they help households to address the basic needs of family members, their effects are very limited in terms of longer-term improvements.

48. The Group believes that there is an urgent need to find solutions in various areas (agronomy, technology, the legal system and infrastructure) capable of ending this spiral of rural poverty, which unceasingly feeds into marginalization and instability on the national level. This also implies that rural development projects, which are structurally underfunded by donors, must receive the support they deserve.

49. Watershed management, which adds an environmental aspect to rural development, absolutely must be pursued, given the advanced state of degradation of nature. These projects, for which UNDP is a lead agency, also have the advantage of using a great deal of manual labour. Certain activities manage to combine several functions, like the solid waste management project at Carrefour Feuilles which the Group visited. With active participation by the community, this project collects, sorts and recycles garbage, then makes briquettes out of recycled paper, which are then sold. They offer an alternative to wood charcoal, which is generally used in cooking and has led to the country's deforestation. This project also plays a role in pacifying and stabilizing a neighbourhood known as an area of social tension. The Group calls for the continuation of this innovative and well-planned project which beautifully illustrates South-South cooperation, but which is not yet financially self-sufficient.

50. The problem of giving communities autonomy and ending the marginalization of the most disadvantaged groups is also echoed in the activities to promote human rights conducted by several actors, such as MINUSTAH and the Office of the High Commissioner for Human Rights. The Group met with Michel Forst, Independent Expert on the situation of human rights in Haiti, who is determined to promote a rights-based approach rather than one based on meeting needs, especially with local structures in Haiti. Human rights concepts, including economic, social and cultural rights, will thus be embodied in Haitian society, and will become an instrument for combating poverty and promoting sustainable development. The Group stresses the relevance of this approach and invites development partners, including the major international NGOs which provide direct assistance to the people to adopt it.

51. In 2007, the Group met with a mission of the Committee on the Elimination of Discrimination against Women on the implementation of the Convention by that name by Haiti, which at the time had never submitted a report on its implementation. The Group was pleased to note that this task has now been accomplished, since Haiti presented its first report to the Committee in January 2009 in Geneva. It is now up to the Haitian State to ensure that the recommendations made by the Committee after consideration of the report receive follow-up. On the other hand, the Group notes with regret that the three bills relating to fundamental aspects of the status of women drafted by the Ministry for the Status of Women and Women's Rights and endorsed by the Government (see E/2007/78, para. 26), have still not yet been considered by the Parliament. It reiterates its call for action in this area.

52. International actors approach the tasks of swift action to create jobs and the in-depth work necessary for social change, which is itself a corollary of development, from different perspectives and with different time frames. The Group stresses that the two approaches should not be taken to be in opposition to one another, as both dimensions are undoubtedly legitimate given the country's needs, which are both urgent and profound. It is also important to avoid having one of the aspects weaken the other, and to maintain balance in order to be effective while demonstrating a deep understanding of the dynamics at work in Haiti. The same goes for international aid coherence, which the United Nations Special Envoy may wish to ensure by giving equal importance to both dimensions.

IV. Conclusions and recommendations

53. The present document, which is the fifth report issued since the Group resumed its work in 2004, builds on all the previous work done and should therefore be read in a complementary fashion. The reports of recent years have each highlighted issues that have been addressed in the earlier reports. While there are some improvements, many challenges remain as acute as ever, which means that many previous recommendations from the Group, in particular those of 2007 and 2008, are still relevant.

54. The year 2009 marks the sixtieth anniversary of the publication of the report of the United Nations Mission of Technical Assistance to the Republic of Haiti. This report issued in July 1949 was introduced by then Secretary-General Trygve Lie as "a new departure in United Nations activities" and as "a precursor of the ampler efforts which, it is hoped, the international organizations concerned will be enabled

to display in realization of the bold programmes of technical assistance to underdeveloped countries". The Group hopes that its current work, and that of every stakeholder involved in the development of Haiti, will see a better future in which Haiti emerges decisively from its state of fragility.

55. This year, the Group is encouraged by the evolution of the situation in Haiti, in particular with regard to the work done by the Government to implement the National Growth and Poverty Reduction Strategy Paper and make it central to the conference held in Washington in April 2009, through its plan for economic recovery and rehabilitation and the document "Haiti: a new paradigm". Also, the Group underlines the progress made in the reform of the security sector, in particular the police, which leads to an increased positive perception of the National Police by the population. The Group commends the Haitian authorities for the work done in this regard.

56. As mentioned in the recent years' reports, the Group continues to consider it imperative that Haiti remain on the international agenda and that appropriate support be given to the country, in particular by means of a strong United Nations presence on the ground through MINUSTAH as well as the United Nations country team, which is increasing its presence in the most vulnerable departments of the country. The Group firmly supports further renewals of the current mandate of MINUSTAH in order to ensure and consolidate stability and security in Haiti. The Group commends the work done by the United Nations during the recent months, when the visits by the Secretary-General and the Security Council, the report of Professor Paul Collier and the recent appointment of former United States President William J. Clinton as Special Envoy have all helped not only to keep Haiti high on the international agenda, but also to gain enhanced momentum for marshalling new resources and new energies. The next two years will be decisive for Haiti, as the social and economic situation in the country remains extremely fragile. As a result, the Group reiterates its call on international stakeholders to stay the course and to consider increasing their support for Haiti. It welcomes the continued diversification of partners, including through South-South cooperation.

57. The hurricanes that affected Haiti in 2008 were particularly strong and have severely hampered the development of the country. In this context, the Group wishes to commend the Haitian authorities for the close attention paid to disaster preparedness in the National Growth and Poverty Reduction Strategy Paper (November 2007), the post-disaster needs assessment (November 2008) and the National Plan for Economic Recovery and Rehabilitation of Haiti (April 2009).

58. The Group looks forward to continuing its work with the Government of Haiti, following up on its recommendations and providing advice on the development that the country acutely needs in order to consolidate its stability. In particular, the Group wishes to make the following recommendations addressed to the Haitian authorities, the United Nations system and donors, aimed at improving the economic and social situation in Haiti and the impact of development support.

Recommendation 1

59. The Paris Declaration on Aid Effectiveness created a model for aid effectiveness and partnership that encourages partners such as the Government of Haiti and donors to create mechanisms for mutual accountability and compliance in meeting commitments. In this regard, the Group commends the progress made on coordination between donors and the Government of Haiti. However, the Group stresses the need for greater alignment with Haitian priorities as set out during the Washington conference, bearing in mind that capacity development is the responsibility of the Government of Haiti and will need to be integrated into a longer-term vision.

Recommendation 2

60. The Group stresses the importance of political consensus for making progress in the stabilization and development of the country. There is a clear need to further develop parliamentary institutions in Haiti and to ensure constructive interaction between the Parliament and the Government, in order to consolidate the necessary consensus around, inter alia, the implementation of the National Growth and Poverty Reduction Strategy Paper and various institutional reforms needed for development.

Recommendation 3

61. Since Haiti faces enormous challenges in respect of access to basic services and economic growth, the Group underlines the need to have development strategies that balance these aspects of development. An increased involvement of the State in providing basic services in particular would also contribute to the stabilization of the country.

Recommendation 4

62. The Group stresses that the civil registration of Haitians is one of the necessary conditions for significant progress in access to basic services. It can also facilitate the enjoyment of economic and social rights, as well as participation in economic development. The Group urges the Government of Haiti to build on the progress made in recent years in this field.

Recommendation 5

63. The investments needed for economic growth, the creation of new enterprises of all sizes and employment generation depend on greater access to credit and financial services. The Group has witnessed that there are serious limitations in the Haitian financial sector on access to capital. The Group calls for urgent action on this issue and greater flexibility in the local financial sector in order to enable investment projects to happen.

Recommendation 6

64. The Group stresses the importance of food security for the stability of Haiti and commends all efforts made by national and international stakeholders to alleviate suffering. However, the Group has witnessed the interrelated challenges of food security, agriculture, land ownership, energy and deforestation. Any development strategy tackling one of these issues must factor in all the others in

order to be sustainable. The Group also considers that the relevant provisions of the National Growth and Poverty Reduction Strategy Paper should be implemented as quickly as possible in order to strengthen the agricultural and other relevant sectors, allow Haitians to better tackle the related challenges and launch a pro-poor growth strategy.

Recommendation 7

65. The Group urges again the Haitian authorities, in particular the parliamentary institutions, to integrate the gender dimension in all social and economic development policies in Haiti, in particular in the implementation of the National Growth and Poverty Reduction Strategy Paper. The Group commends the efforts made by the Haitian authorities towards the implementation of the Convention on the Elimination of All Forms of Discrimination against Women.

Recommendation 8

66. The Group considers that the need to generate a "peace dividend" or a "stability dividend" remains acute in order to discourage criminal activities that can harm stability in the whole country, and that coherence between the United Nations country team and MINUSTAH is critical in this regard. Short-term activities, including quick-impact projects, benefit the overall development efforts in Haiti. The Group recommends exploring ways of making enhanced use of MINUSTAH engineers for greater synergy between the mandate of the mission and the development needs of Haiti.

Recommendation 9

67. The Group underlines the important role of non-governmental organizations in humanitarian and development work in Haiti. However, the Group considers it very important to reconcile the pressure to obtain quick development impact and flexible interventions through the non-governmental community, with the need to strengthen the institutional capacities of the Haitian State. In this regard, the Group reiterates its past suggestion addressed to the United Nations, donors and non-governmental organizations to provide policy advice and best practices concerning the retention of qualified personnel in the country.

Annex

Programme of the visit of the Ad Hoc Advisory Group to Haiti, 4-7 May 2009

Monday, 4 May

13.00	Arrival at Toussaint Louverture International Airport
14.00	Meeting with Alrich Nicolas, Minister of Foreign Affairs and Worship (Ministry of Foreign Affairs)
15.30	MINUSTAH briefing (MINUSTAH headquarters)
16.45	Meeting with the United Nations country team (MINUSTAH headquarters)
19.45	Reception offered by MINUSTAH (Residence of the Special Representative of the Secretary-General)

Tuesday, 5 May

07.30	Visit to Gonaïves (by helicopter): – Meeting with the United Nations, local authorities and departmental Civil Protection Directorate – Presentation of recovery programmes and projects – Visit to rural development and food security projects
15.00	Meeting with the Prime Minister (Office of the Prime Minister)
16.15	Meeting with the Minister of Planning and External Cooperation and other Cabinet ministers on the implementation of the Poverty Reduction Strategy Paper (Office of the Prime Minister)
20.00	Working dinner with Michel Forst, Independent Expert on the situation of human rights in Haiti (Hotel Montana)

Wednesday, 6 May

07.15	Breakfast with Gladys Coupet, Chairperson of the Presidential Commission on Competitiveness, Jacky Lumarque, Coordinator of the Presidential Commissions and private sector (Hotel Montana)
09.45	Visit to a solid waste project in Carrefour Feuilles
11.15	Visit to an industrial park with presentation by private sector representatives

12.45	Working lunch on rule of law with Minister of Justice, Secretary of State for Public Security, General Inspector of the Haitian National Police and Director of the Penitentiary Administration (Hotel Montana)
14.30	Meeting with bilateral and multilateral donors and core group members (Hotel Montana)
16.00	Meeting on food security with the Ministry of Agriculture, the Food and Agriculture Organization of the United Nations, the World Food Programme, the National Food Security Coordination, the United Nations Children's Fund, the World Health Organization, international non-governmental organizations and the Foundation for International Development Assistance (Hotel Montana)
17.30	Meeting with civil society representatives (Hotel Montana)
19.30	Cocktails with core group and diplomatic corps hosted by the Ambassador of Canada

Thursday, 7 May

09.00	Meeting with President Préval (Presidential palace)
10.15	Visit to the Parliament and meeting with presidents of chambers first secretaries and presidents of budget commissions (Parliament)
11.30	Meeting/debriefing with Minister of Planning and External Cooperation (Ministry of Planning and External Cooperation)
12.45	Press conference (Toussaint Louverture Airport)
13.30	Debriefing with the Special Representative of the Secretary-General and the Resident/Humanitarian Coordinator a.i.
14.00	Departure to New York